

ACADEMIC CHALLENGE SCHOLARSHIP PROGRAM

RULES AND REGULATIONS

RULE 1 – ORGANIZATION AND STRUCTURE

- I. The Arkansas Department of Higher Education (ADHE) shall administer the Arkansas Academic Challenge Scholarship Program within the policies set by the Arkansas Higher Education Coordinating Board. All formal communications shall be addressed to or signed by the Director of the Arkansas Department of Higher Education or his/her designee.
- II. The Director of the Arkansas Department of Higher Education has the final responsibility for selecting scholarship recipients pursuant to the provisions of Acts 352, 362 and 733 of 1991, Act 47 of 1992, Acts 720, 1170 and 1244 of 1993, Acts 188 and 228 of 1995, Act 858 of 1999, Acts 1612, 1664 and 1836 of 2001 and subsequent legislation, and program rules and regulations.
- III. The Arkansas Department of Higher Education shall follow the provisions of the Administrative Procedures Act when functioning under Acts 352, 362 and 733 of 1991, Act 47 of 1992, Acts 720, 1170 and 1244 of 1993, Acts 188 and 228 of 1995, Act 858 of 1999, Acts 1612, 1664 and 1836 of 2001 and subsequent legislation.

RULE 2 – SCHOLARSHIP ELIGIBILITY CRITERIA

I. Eligibility Criteria

An applicant must meet the following requirements to be eligible to receive the Arkansas Academic Challenge Scholarship:

- A. The applicant must be a citizen of the United States or a permanent resident alien.
- B. The applicant shall have been a resident of the State of Arkansas for at least (12) months prior to graduation from an Arkansas high school, and the recipient's parent(s) or guardian(s) shall have maintained Arkansas residency for the same period of time.
- C. The applicant shall have graduated from an Arkansas high school on or after March 5, 1991.

- D. The applicant must be accepted for admission and enrolled as a full-time, first-time freshman at an approved institution of higher education, as defined by the Department of Higher Education, within twelve (12) months of graduation from high school.
- E. The applicant must be enrolled full-time (12 semester hours or the equivalent) and complete twenty-four (24) semester hours, or the equivalent, per academic year. Those applicants who graduated from high school after December 31, 2000 must be enrolled full-time twelve (12) semester hours or the equivalent for the first semester and fifteen (15) semester hours or the equivalent every semester thereafter.
- F. The applicant must be enrolled in a program of study which leads to or is creditable towards a baccalaureate degree. These programs include baccalaureate degree programs, associate degree programs, and nursing school diplomas, which require concurrent college enrollment.
- G. Applicants must certify that they are drug-free and must pledge in writing on the application form to refrain from the use or abuse of illegal substances. This includes alcohol for applicants under twenty-one years of age.
- H. Any male applicant under twenty-six years of age must file a Statement of Selective Service Status with the postsecondary education institution at which he is enrolled certifying that he has complied with the terms of the Military Selective Service Act before funds can be disbursed.
- I. The applicant must score 19 or above on the ACT Composite or at least 730 on the SAT combined verbal and math (if the ACT score is not available).
- J. A recipient of a Governor's Distinguished Scholarship is prohibited from receiving an Academic Challenge Scholarship.
- K. Applicants who graduate from high school after December 31, 2001 must achieve the following grade point average in the pre-collegiate core curriculum: 3.0 on a 4.0 scale if enrolling at an approved four-year institution or a grade point average of 2.75 on a 4.0 scale if enrolling at an approved two-year institution. These grade point averages may be revised to no lower than a 2.5 grade point average on a 4.0 scale if it is determined by the department, based on the most recent evaluation of the program's operation that the grade point requirement would unduly reduce the number of low-income or disadvantaged students who would otherwise be eligible for the program. At the Department's discretion, an exception may be made to institutions with a high percentage of students

receiving full Pell grants, upon written petition to the department by the institution. The applicant who graduated from high school prior to December 31, 2001 must have achieved a grade point average (GPA) of 2.50 on 4.0 scale in the pre-collegiate core curriculum established by the State Board of Education and the Arkansas Higher Education Coordinating Board pursuant to A.C.A. 6-61-217 as listed below.

- **English** - Four units with emphasis on writing skill (not to include courses in oral communication)
- **Natural Science** - Two units, with laboratories, chosen from two of the following: Biology, Chemistry, or Physics (Applied Biology/Chemistry [two-year program] may be substituted for Biology. Principles of Technology I and II [two-year program] may be substituted for Physics). High School graduates in 2002 and beyond will be required to have an additional unit of science. The third unit may be any science, including Physical Science, with a lab. Only one unit may come from a Life Science.
- **Mathematics** - Three units: Algebra I, Algebra II and Geometry (Applied Math I and II [two-year program] may be substituted for Algebra I if the student who completes Applied Math I and II also completes Algebra II and Geometry [or more rigorous math courses such as calculus or trigonometry] with grades of C or better). Applicants graduating in the year 2002 and beyond will be required to have a fourth unit of Mathematics beyond Algebra II.
- **Social Studies** - Three units, including one of American History, one of World History, and at least one-half unit of Civics or American Government.
- **Foreign Language** - Two units in one foreign language.

A *unit* is defined as the credit received for completion of one (1) year of a course in high school. One semester is equal to one-half (1/2) unit.

OR

A *unit* is defined as the credit received for completion of one three credit-hour semester course in college as a high school student or as a student applicant seeking to meet the core requirements provided for in the grace period specified in Rule 2, Section I, Paragraph M.

- L. Applicants who do not meet the requirements of both paragraphs I and ~~JK~~ with respect to the minimum ACT score (or its equivalent), or the minimum GPA in high school core courses, shall qualify if they meet the combined test score and GPA requirements set out in the selection index below:

ACT SCORE	CORE CURRICULUM GPA
25-36	2.0 and above
20-24	2.25 and above
19	2.50 and above
17-18	3.0 and above
15-16	3.25 and above

Applicants with ACT scores below 15 will not be eligible; applicants with GPAs below 2.0 will not be eligible.

Applicants who graduate from high school after December 31, 2001, who do not meet the requirements of both paragraphs I and JK with respect to the minimum ACT score (or its equivalent), or the minimum GPA in high school core courses, shall qualify if they meet the combined test score and GPA requirements set out in the selection index below:

ACT SCORE	CORE CURRICULUM GPA
25-36	2.50 and above, if attending a 4-year institution, 2.25 and above, if attending a 2-year institution
20-24	2.75 and above, if attending a 4-year institution, 2.50 and above, if attending a 2-year institution
19	3.00 and above, if attending a 4-year institution, 2.75 and above, if attending a 2-year institution
15-18	3.25 and above, if attending a 4-year institution, 3.00 and above, if attending a 2-year institution

Applicants with ACT scores below 15 will not be eligible; applicants with GPAs below 2.25 will not be eligible.

- M. Applicants who graduated from high school before December 31, 2001 who have met the requirements as listed in Section I., Paragraphs A through H, but have not completed the precollegiate core curriculum defined in Paragraph K by the end of their senior year of high school shall have a grace period of twelve (12) months from graduation to make up any course or ACT score deficiencies required for program eligibility, as defined in Section I, Paragraphs I and K. Applicants whose GPA in the core is below 2.0 but who otherwise qualify for the program, may use the

grace period to raise the GPA by taking courses approved by ADHE. However, students will not be fully eligible for an award until all academic deficiencies are met.

Applicants who graduate from high school after December 31, 2001 who have met the requirements as listed in Section I., Paragraphs A through H, but have not completed the precollegiate core curriculum defined in Paragraph K by the end of their senior year of high school shall have a grace period of twelve (12) months from graduation to make up any course deficiencies required for program eligibility, (as defined in Section I, Paragraph K) due to the unavailability of the courses in the applicant's high school. However, students will not be fully eligible for an award until all academic deficiencies are met.

- N. For applicants graduating from high school after December 31, 2000, applicants must demonstrate financial need as defined below:
1. An applicant whose family includes one (1) unemancipated child under the age of 24 shall have an average family adjusted gross income (AGI) over the previous two years not exceeding \$50,000 per year at the time of application for the program.
 2. An applicant whose family includes two (2) unemancipated children under the age of 24 shall have an average family adjusted gross income over the previous two years not exceeding \$55,000 per year at the time of application to the program.
 3. An applicant whose family includes three (3) or more unemancipated children under the age of 24 shall have an average family adjusted gross income over the previous two years not exceeding \$60,000, plus an additional \$5,000 of AGI per year for each additional child under the age of 24 at the time of application to the program.
 4. Any applicant whose family includes more than one (1) unemancipated child under the age of 24 enrolled full-time at an approved institution of higher education shall be entitled to an additional ten thousand dollars (\$10,000) of adjusted gross income when the Department of Higher Education calculates the financial need. The dependent(s) must be enrolled during the same year for which the applicant is seeking award.

5. Any student who claims to be emancipated or independent must be eligible to receive Federal financial aid as an independent student as defined by Federal regulations.
6. The Department of Higher Education may increase the income requirements using the Federal Consumer Price Index, if sufficient funds become available.

II. Continued Eligibility

If sufficient funds are available, the scholarship shall be awarded for one academic year and renewed annually if the recipient maintains a 2.50 cumulative grade point average on a 4.0 scale and completes 24 semester hours (or equivalent) per academic year. Students seeking baccalaureate degrees may renew their scholarship for up to three additional academic years for a total of four years. Students seeking associate degrees may renew their scholarship for one additional academic year for a total of two years. No student may use these funds beyond the baccalaureate degree.

Subject to the availability of funds, those recipients graduating from high school after December 31, 2000 must maintain a 2.75 cumulative grade point average on a 4.0 scale and complete twelve (12) semester hours or the equivalent for the first semester and fifteen (15) semester hours or the equivalent every semester thereafter in order to have their scholarship renewed.

If the student is entering the junior year, the student must have taken the standard rising junior test provided for in A.C.A. 6-61-114.

RULE 3 – APPLICATION PROCESS

I. Application

Students must submit an application for the Arkansas Academic Challenge Scholarship Program to the Arkansas Department of Higher Education. The Arkansas Department of Higher Education provides Academic Challenge Scholarship Program application forms to high school counselors or principals and Arkansas higher education institutions. The Arkansas Department of Higher Education also provides applications to any individual upon request. The applicant and the applicant's parents or guardians must complete the Academic Challenge Scholarship application.

II. Submission of Application and Application Deadline

Students who graduate from high school prior to December 31, 2001 must submit an application to ADHE by October 1 of the calendar year in which they graduate from high school, and should apply, regardless of any academic deficiencies. Applications received after October 1 will not be considered for a scholarship. The student is responsible for submitting the application and all supporting documentation in a timely manner.

For those students who graduate from high school after December 31, 2001, the application deadline shall be June 1 of the calendar year in which they graduate from high school, regardless of core curriculum deficiencies. Applications received after June 1 will not be considered for a scholarship. The student is responsible for submitting the application and all supporting documentation in a timely manner.

III. Amount of Scholarship

- A. For recipients who graduated from high school between January 1, 1995, and December 31, 1996, the amount of the annual scholarship awarded to each recipient shall be the lesser of one thousand five hundred dollars (\$1,500) or the annual tuition charged by the approved institution in which the recipient is enrolled.
- B. For recipients who graduated from high school between January 1, 1997, and December 31, 1998, the amount of the annual scholarship awarded to each recipient shall be the lesser of two thousand five hundred dollars (\$2,500) or the annual tuition charged by the approved institution in which the recipient is enrolled.
- C. For new recipients who graduated from high school after December 31, 1998, the amount of the annual scholarship awarded to each recipient shall be two thousand five hundred dollars (\$2,500).

IV. Award Notification and Funding Availability

In the event that funds available are not sufficient to award every eligible applicant, the Arkansas Department of Higher Education will determine the award procedure in a manner that will benefit the neediest students. The number of new awards shall not exceed 5,000 per year. If the number of eligible applicants exceeds 5,000 or if sufficient funds are not available to award 5,000 eligible applicants, the Arkansas Department of Higher Education shall prioritize awards based on the income level of the applicant, beginning with low-income families first.

The Arkansas Department of Higher Education shall notify each eligible applicant of his/her award. The award notice includes the student's name, address, social security number, the actual amount the student is eligible to receive, and the student's first institutional choice as indicated on the application form. The award notice also explains the Arkansas Department of Higher Education's disbursement procedures and conditions of the Academic Challenge Scholarship.

V. Conditional Eligibility Notification

Students who have not completed the pre-collegiate core curriculum as defined in Rule 2, Paragraph K, or have not met the ACT requirement defined in Rule 2, Paragraph I but who otherwise satisfy all of the eligibility requirements listed in Rule 2, shall be classified as Conditionally Eligible. Conditionally Eligible students shall have a grace period of up to twelve months from high school graduation to make up any core course, GPA, or ACT score deficiencies. The Arkansas Department of Higher Education shall notify Conditionally Eligible students of their specific deficiencies and explain the student's responsibilities in satisfying those deficiencies within the 12-month period allowed.

Applicants who graduate from high school after December 31, 2001 and who have not completed the pre-collegiate core curriculum defined in Rule 2, Paragraph K but who otherwise satisfy all of the eligibility requirements listed in Rule 2, shall be classified as Conditionally Eligible. Conditionally Eligible students shall have a grace period of up to twelve months from high school graduation to make up any core course deficiencies, which are due to the unavailability of courses while in high school. The Arkansas Department of Higher Education shall notify Conditionally Eligible students of their specific deficiencies and explain the student's responsibilities in satisfying those deficiencies within the 12-month period allowed.

VI. Eligible Award Notification

Students who are determined to be eligible for participation in the Arkansas Academic Challenge Scholarship Program but who have not been admitted to or enrolled in an Arkansas institution of higher education shall be classified as eligible. The Arkansas Department of Higher Education shall notify the students of their status as eligible. The notice provides instructions for receiving an award, defines the applicant's responsibilities, and explains the grace period.

VII. Ineligible and Incomplete Notification

The Arkansas Department of Higher Education shall notify applicants who are determined to be ineligible and provide the reason for ineligibility. They will also be given instructions on how to correct any information on the application they

believe to be incorrect. Applicants who fail to submit complete applications, or who fail to supply the required documentation to process the application, will be classified as Incomplete. The Arkansas Department of Higher Education shall notify these students of their status. The Incomplete notice provides a list of the incomplete items and the actions necessary for completion.

RULE 4 – SCHOLARSHIP PAYMENT POLICIES

I. Limits of Payment

A. Payment of Scholarships

The Arkansas Department of Higher Education shall disburse funds to the approved institution of the student's choice. The Arkansas Department of Higher Education shall send funds to the institution via electronic funds transfer. After verification of full-time enrollment, the institution will disburse the scholarship to the student according to the institution's disbursement procedures. The scholarship payment will correspond to academic terms, semesters, quarters, or equivalent time periods at the eligible institution. In no instance may the entire amount of the scholarship for an educational year be paid to or on behalf of such student in advance.

B. Transfer of Scholarships to Another Approved Institution

A recipient who has received an Academic Challenge Scholarship may transfer the scholarship to another approved Arkansas institution of higher education, provided that:

1. The student notifies the Arkansas Department of Higher Education, in writing, of the change of status by October 1 for the fall term and by February 1 for the winter and/or spring terms; and
2. The student submits a transcript to ADHE which certifies that the student has maintained both a 2.5 GPA, and full-time status at the institution the student is leaving. Beginning with recipients who graduate from high school after December 31, 2000 the transcript must show a minimum cumulative grade point average of 2.75 or above and the completion of the required number of college credit hours.

C. Withdrawal Policy

The Arkansas Department of Higher Education shall allow a student to withdraw from the Arkansas Academic Challenge Scholarship Program for no more than one year. The recipient must submit a written petition for withdrawal. The petition shall give the reason for withdrawal and be supported by documentation. In the absence of extraordinary circumstances, the award will be revoked if the recipient fails to enroll full-time in an eligible institution in Arkansas, and the Arkansas Department of Higher Education receives neither written notification of transfer of the scholarship to another eligible institution, nor a petition for withdrawal by the recipient by October 1 for the Fall term and February 1 for the Winter and/or Spring terms. At the discretion of the Department of Higher Education, the award will not be revoked if it is determined by ADHE that extraordinary circumstances prevented the student from notifying ADHE by the required dates.

D. Renewal of Scholarship

The scholarship may be awarded for a total of four academic years of undergraduate study, provided the recipient maintains at least a 2.50 cumulative grade point average on a 4.0 scale and completes 24 semester credit hours (or equivalent) per academic year.

Those recipients graduating from high school after December 31, 2000 must maintain a 2.75 cumulative grade point average on a 4.0 scale and complete twelve (12) semester hours or the equivalent for the first semester and fifteen (15) semester hours or the equivalent every semester thereafter.

A student may not use these funds for educational purposes beyond the baccalaureate degree.

E. Cancellation of the Scholarship

1. The award will be terminated for any of the following reasons:
 - a. Failure to maintain at least a 2.50 cumulative grade point average on a 4.00 scale, and complete 24 semester credit hours (or equivalent) per academic year.

For those recipients graduating from high school after December 31, 2000, failure to maintain a 2.75 cumulative grade point average on a 4.0 scale and/or complete twelve (12) semester hours or the equivalent for the first semester and fifteen (15) semester hours or the equivalent every semester thereafter.

- b. Completion of a first baccalaureate degree within five years from initial college entrance as a full-time freshman.

The scholarship shall be terminated if a student fails to maintain continued eligibility requirements.

- 2. The recipient is responsible for notifying, in writing, the Arkansas Department of Higher Education of any change in status (i.e. transfer to another eligible institution in Arkansas, change in name, etc.) before appropriate deadline dates. Failure to provide written notification may result in the cancellation of the scholarship for that term.

F. Military Service

Recipients who are members of the Arkansas National Guard or Armed Forces Reserve units who are called to active duty for reasons other than regular unit training and are unable to complete the current term will be allowed to repeat the missed term without loss of scholarship credit. In addition, they will be placed in deferred status until six months after release from active duty, at which time they must be re-enrolled in an approved institution.

G. Repayment

If the recipient of a scholarship withdraws, drops out, or is expelled on or after the first day of class of a payment period, the institution will determine whether the student received an overpayment of financial aid funds for non-institutional expenses. Overpayment is the difference between the amount received as cash disbursements and the amount incurred for non-institutional costs during the portion of the payment period that the student was actually enrolled. It is the institution's responsibility to contact students and recover overpayments.

H. Refunds

The Arkansas Academic Challenge Scholarship program is entitled to a refund of tuition, fees or other charges, if the recipient of a scholarship withdraws, drops out, or is expelled on or after his or her first day of class of the payment period and the situation falls under the refund policy of the institution. The institution shall pay the refund to the Arkansas Department of Higher Education.

I. Overpayment

If the award of an Arkansas Academic Challenge Scholarship results in an overpayment to the student according to the state law governing the anti-stacking of scholarships, the institution shall follow the ADHE policy in reducing the student's financial package to prevent the student from receiving funds above the federally recognized cost of attendance.

RULE 5 – INSTITUTIONAL RESPONSIBILITIES

I. College/University Responsibilities

A. Administrative Agreement

The chief executive officer of the eligible institution is responsible for appointing one representative from the financial aid office to act as administrator of the Arkansas Academic Challenge Scholarship Program and to receive all communications, forms, etc. This representative is responsible for verification, data and compliance with all program rules and regulations. The institution must comply with the following responsibilities in order to maintain continued eligibility status.

B. Disbursement Records

The institution shall maintain information on the student indicating disbursement of scholarship funds.

C. Institutional Verification

The institution shall provide certification of full-time enrollment, as of the eleventh day of classes, by completing a Verification Roster each semester after registration. The Verification Roster is an alphabetical listing by institution of all persons receiving the award for a given academic term. The certifying official is responsible for completing the verification rosters each semester or trimester. The Arkansas Department of Higher Education shall provide electronic Verification Rosters to the Financial Aid Administrator for each semester or trimester as needed. The electronic Verification Rosters shall be returned to the Arkansas Department of Higher Education by November 1 for the Fall term, by March 15 for the Winter and/or Spring term and by May 1 for the Spring term for three term institutions. Students who are enrolled less than full-time in the current term shall not receive scholarship benefits in that term.

D. Deadlines for Disbursement of Funds

The deadline for disbursement of funds is no later than 10 days after written receipt of funds. Any outstanding funds not disbursed by these dates must be returned to the Arkansas Department of Higher Education. For those students whose applications are received by ADHE too late to allow disbursement by these dates, disbursement will be made within 10 working days of receipt of the verification roster and electronic transfer of funds.

E. Due Diligence

The institution will exercise due diligence in providing complete, accurate, and timely information as requested by the Arkansas Department of Higher Education on any Arkansas Academic Challenge Scholarship recipient or former recipient. In addition, the institution will exercise due diligence in complying with all the rules and regulations of the Arkansas Academic Challenge Scholarship Program. The Arkansas Department of Higher Education shall periodically review the institution's records concerning this program in an effort to exercise its due diligence requirements as a steward of state funds.

RULE 6 – SCHOLARSHIP RECIPIENT'S RESPONSIBILITIES

I. Arkansas Academic Challenge Scholarship Award Recipient's Responsibilities

It is the recipient's responsibility to notify the Arkansas Department of Higher Education of any change in status within 21 days. This will include:

- Change in name
- Change in address
- Change in institution
- Change in full-time status (twelve college credit hours or its equivalent per semester for students who graduate from high school before December 31, 2000 or are in their first semester of college, fifteen college credit hours for those students who graduated from high school after December 31, 2000 and are beyond their first semester in college)

Failure to notify the Arkansas Department of Higher Education of a change of status may affect future eligibility.

RULE 7 – PROGRAM DEFINITIONS

The following definitions are used in the Arkansas Academic Challenge Program:

ACADEMIC YEAR fall semester, spring semester, and first and second summer terms.

APPROVED INSTITUTION a public or private college or university located in Arkansas that is accredited by the Higher Learning Commission of the North Central Association, or which certifies to the Department of Higher Education that its students are accepted for transfer at institutions accredited by the Higher Learning Commission of the North Central Association and does not discriminate against applicants or employees on the basis of race, color, religion, sex, age, handicap, or national origin, consistent with the provisions of applicable state and federal law.

OR

only under conditions set forth in A.C.A. 6-82-1007, a public or private nursing school located in Arkansas that is approved by the State Board of Nursing and which does not discriminate against employees on the basis of race, color, religion, sex, age, handicap or national origin, consistent with the provisions of applicable state and federal law.

CITIZEN a person who is a U.S. citizen or a permanent resident alien. If the recipient is not a U.S. citizen, but a permanent resident alien, the recipient must attach a copy of the permanent resident alien form I-151, I-551, I-94, or G-641 to the application.

CORE GPA all pre-collegiate core curriculum will be used to calculate the core GPA, even if they exceed the recommended core. For instance, if the student takes three units of natural science (Biology, Chemistry and Physics) and only two units are required, all three courses will be used to calculate the core GPA.

ELIGIBLE APPLICANT any applicant who meets the eligibility criteria established in Rule 2.

FIRST-TIME FRESHMAN any student currently enrolled as a first-year college student, who has never previously been enrolled as a first-year college student. High school students who complete their senior year of high school while enrolled in a community

college or two/four-year college will be considered first-time freshmen in the first year of college work following high school graduation.

FULL-TIME STUDENT

twelve college credit hours or its equivalent per semester for students who graduate from high school before December 31, 2000 or are in their first semester of college, fifteen college credit hours per fall and spring semester for those students who graduated from high school after December 31, 2000 and are beyond their first semester in college

INDEPENDENT STUDENT

a student who meets one of the following conditions:

Will be 24 years of age by December 31 of the application year; or

Is a veteran of the U.S. Armed Forces; or

Is a ward of the court or both parents are dead; or

Has legal dependents other than a spouse; or

Is married and will not be claimed as an income tax exemption by his or her parents for the current year; or

Is determined to be independent by the financial aid officer at the institution the student plans to attend.

TUITION

charges levied for attendance at an eligible institution of higher education including mandatory fees charged to all full-time students by the approved institution.

UNEMANCIPATED CHILD

a child who is claimed on a parent's or guardian's income tax return as a dependent and does not meet any of the requirements of an independent student as defined above.

UNIT

the credit received for completion of:

1. One (1) year of a course in high school; one (1) semester of a course in high school is one half (1/2) unit.
2. One (1) semester of a three credit-hour course in college.

